



WILLIAM T FUJIOKA
Chief Executive Officer

County of Los Angeles
CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

"To Enrich Lives Through Effective And Caring Service"

Board of Supervisors
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August 20, 2013

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**DEPARTMENT OF PUBLIC WORKS:
ONLINE REALTIME CENTRALIZED
HEALTH INFORMATION DATABASE PROJECTS
APPROVE APPROPRIATION ADJUSTMENT
AND APPROVE PURCHASE OF EQUIPMENT
CAPITAL PROJECT NOS. 89046, 89047, 89048,
89049, 89050, AND 89051
(ALL DISTRICTS)
(4 VOTES)**

SUBJECT

The recommended actions will approve an appropriation adjustment to allow the Department of Public Works to purchase long-lead equipment necessary to complete projects required to support the Department of Health Services' Online Realtime Centralized Health Information Database (also referred to as the Electronic Health Records Information System).

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the Online Realtime Centralized Health Information Database projects are categorically exempt from the California Environmental Quality Act for the reasons stated in this letter and in the record of the projects.
2. Approve an appropriation adjustment totaling \$11 million, offset with commercial paper proceeds to the purchase of certain long-lead equipment as part of the building infrastructure upgrades for Online Realtime Centralized Health Information Database project implementation.

3. Authorize the Director of Public Works, or her designee, to proceed with the purchase and installation of long-lead equipment using existing Board-approved Job Order Contracts.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended actions allow the Department of Public Works (Public Works) to proceed with procuring the long-lead equipment necessary for the construction and completion of the electrical, mechanical, and low-voltage infrastructure required to implement the Online Realtime Centralized Health Information Database (ORCHID) as part of Public Works' efforts to initiate an accelerated construction program.

Background

On November 27, 2012, the Board authorized the Department of Health Services (DHS) to execute an agreement with Cerner Corporation to provide an Electronic Health Records Information System, also known as ORCHID, that would provide online patient record documentation.

On January 22, 2013, the Board approved \$359 million of funding for the Electronic Health Records Information System. The program included \$21.95 million for the estimated cost of necessary capital infrastructure upgrades to support the installation of the ORCHID.

Equipment Procurement and Installation

Due to the aggressive schedules established to implement the ORCHID, we are recommending that the Board approve an appropriation adjustment totaling \$11 million to allow Public Works to use Board-approved Job Order Contract (JOC) to procure and install long-lead equipment, such as uninterrupted power supply batteries, air conditioning equipment, electrical gear/switches, and generators. This will allow the contractors to implement the projects without interruption or delay once the plans are permitted.

The equipment purchase amount for each project is as follows:

- a. Capital Project No. 89046, Harbor-UCLA Medical Center and the MetroCare Network-Coastal Comprehensive Health Centers/Health Centers, Project Budget amount of \$2,200,000;
- b. Capital Project No. 89047, Martin Luther King, Jr. Multi-Service Ambulatory Care Center and the MetroCare Network-Southwest Comprehensive Health Centers/Health Centers, Project Budget amount of \$1,000,000;
- c. Capital Project No. 89048, LAC+USC Medical Center and the LAC+USC HealthCare Network Comprehensive Health Centers/Health Centers, Project Budget amount of \$1,200,000;
- d. Capital Project No. 89049, Rancho Los Amigos National Rehabilitation Center, Project Budget amount of \$1,800,000;
- e. Capital Project No. 89050, Olive View-UCLA Medical Center and the Valley Care Network-San Fernando Valley Comprehensive Health Centers/Health Center, Project Budget amount of \$4,700,000; and

f. Capital Project No. 89051, High Desert Multi-Ambulatory Care Center and the ValleyCare Network-Antelope Valley Health Center, Project Budget amount of \$100,000.

Project Status and Estimates

The scopes of work at the project locations include renovation of existing telephone/data closets at the various buildings to provide sufficient electrical power for the new electronic switches, anchorage of new racks to hold the switches, addition of cooling to the closets and server rooms as necessary, upgrading fiber optics infrastructure on the various hospital campuses, and installation of data/power outlets at nurse stations, exam rooms, and patient room locations requiring computer connections to use ORCHID.

Public Works has conducted and completed site assessments at the various DHS facilities. Preliminary project cost estimates for the projects, based on these assessments, is approximately \$45.0 million. The original estimate of \$21.95 million was developed in advance of an assessment of DHS facilities, and did not include soft costs for consultants, project management, design, and jurisdictional review. The increased costs will be funded within the current Board-approved allocation for commercial paper. DHS will return to the Board at a later date to seek approval for the revised financing plan for the overall ORCHID project.

Public Works has completed the selection of the architectural/engineering firms and design is underway. Once design is complete and the project scopes are more clearly defined, we will return to the Board to seek approval of the total capital project budgets and schedules.

DHS will provide quarterly updates to the Board on the progress of the overall ORCHID implementation.

Green Building/Sustainable Design Program

Implementation of ORCHID is exempt from the Energy Policy because it is limited to modifications of the infrastructure within existing buildings. The design will seek to optimize efficient use of electrical energy whenever possible. ORCHID will also result in eliminating use of paper medical records and the transportation of paper medical records within each facility.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs the provision of Operational Effectiveness (Goal 1) and Integrated Services Delivery (Goal 3) by investing in public health infrastructure to enhance the safety of patients and staff, and improving patient care with improved infrastructure. Completion of these projects will provide much needed improvements and permit the enterprise-wide sharing of best practices, as well as enhance efficiency and effectiveness when implementing workflows, new rules, protocols, and guidelines from both clinical and information technology perspectives.

FISCAL IMPACT/FINANCING

The equipment purchase is estimated at \$11 million, and will be funded within the original Board-approved allocation of commercial paper proceeds for the ORCHID project. There is no additional impact to the net County cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Not required.

ENVIRONMENTAL DOCUMENTATION

The proposed projects are categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Guidelines Section 15301 (a) because these projects involve no expansion to existing facilities. The projects, which consist of electrical and mechanical upgrades, are in a certain class of projects determined not to have a significant effect on the environment because they meet criteria set forth in Section 15301(a) and (f) of the CEQA Guidelines and Class 1(d) of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G. In addition, there are no cumulative impacts, unusual circumstances, or other limiting factors that would make the exemption inapplicable based on the project records.

Upon the Board's approval of the recommended actions, Public Works will file Notice of Exemption with the Registrar-Recorder/County Clerk in accordance with Section 15062 of CEQA Guidelines.

CONTRACTING PROCESS

Public Works intends to use Board-approved Job Order Contracts to construct the various projects. Public Works has also selected the architectural/engineering firms for the various projects. Fee negotiations are still underway and final fees for each project are currently anticipated to be within the Board-authorized amounts.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The recommended actions will have minimal impacts to current services at the identified facilities. However, during the construction phase, the infrastructure upgrade work may impact operations at the identified facilities. Public Works will work with DHS to minimize construction impacts and disruptions at the facilities. All facilities will remain operational during construction.

CONCLUSION

Please return one adopted copy of this Board letter to the Chief Executive Office, Facilities and Asset Management Division; Department of Health Services, Capital Projects Division; and Department of Public Works, Project Management Division I.

The Honorable Board of Supervisors

8/20/2013

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Respectfully submitted,

A handwritten signature in black ink, appearing to read 'W. T. Fujioka', with a long horizontal line extending to the right.

WILLIAM T FUJIOKA

Chief Executive Officer

WTF:RLR:DJT

SW:CV:rp

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
Health Services
Public Works

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT**DEPARTMENT OF CHIEF EXECUTIVE OFFICE**DEPT'S.
NO. 060

August 6, 2013

AUDITOR-CONTROLLER:

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. PLEASE CONFIRM THE ACCOUNTING ENTRIES AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF EXECUTIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR**FY 2013-14****4 - VOTES****SOURCES****USES**

BA DETAIL - SEE ATTACHEMENT

BA DETAIL - SEE ATTACHEMENT

SOURCES TOTAL: \$ 11,000,000**USES TOTAL: \$ 11,000,000****JUSTIFICATION**

Appropriation adjustment is necessary to fund equipment purchase as part of the building infrastructure upgrades for Online Realtime Centralized Health Information Database implementation capital projects.


 AUTHORIZED SIGNATURE SABRA WHITE, MANAGER

BOARD OF SUPERVISOR'S APPROVAL (AS REQUESTED/REVISED)

REFERRED TO THE CHIEF
EXECUTIVE OFFICER FOR ---☐ ACTION☒ RECOMMENDATION

AUDITOR-CONTROLLER

BY Karen ZukawaB.A. NO. 004August 7 2013☒ APPROVED AS REQUESTED☐ APPROVED AS REVISED

CHIEF EXECUTIVE OFFICER

BY [Signature]August 7 2013

SEND 6 COPIES TO THE AUDITOR-CONTROLLER

August 20, 2013

ATTACHMENT

**DEPARTMENT OF PUBLIC WORKS:
ONLINE REALTIME CENTRALIZED
HEALTH INFORMATION DATABASE PROJECTS
APPROVE APPROPRIATION ADJUSTMENT
AND APPROVE PURCHASE OF EQUIPMENT
CAPITAL PROJECT NOS. 89046, 89047, 89048,
89049, 89050, AND 89051**

APPROPRIATION ADJUSTMENT

SOURCES

USES

Online Real-Time Centralized Health
Information Database Fund
H-UCLA Med Center and MetroCare Network-
Coastal CHC/HCs

J16-CP-94-9276-65064-89046 \$2,200,000

Rev: Commercial Paper Proceeds/ CP

INCREASE REVENUE

Online Real-Time Centralized Health
Information Database Fund
H-UCLA Med Center and MetroCare
Network-Coastal CHC/HCs

J16-CP-6014-65064-89046 \$2,200,000

Capital Assets-Building and
Improvements

INCREASE APPROPRIATION

Online Real-Time Centralized Health
Information Database Fund
MLK MACC and MetroCare Network-
Southwest CHC/HCs

J16-CP-94-9276-65064-89047 \$1,000,000

Rev: Commercial Paper Proceeds/ CP

INCREASE REVENUE

Online Real-Time Centralized Health
Information Database Fund
MLK MACC and MetroCare Network-
Southwest CHC/HCs

J16-CP-6014-65064-89047 \$1,000,000

Capital Assets-Building and
Improvements

INCREASE APPROPRIATION

Online Real-Time Centralized Health
Information Database Fund
LAC+USC Med Center and LAC+USC
HealthCare Network CHC/HCs

J16-CP-94-9276-65064-89048 \$1,200,000

Rev: Commercial Paper Proceeds/ CP

INCREASE REVENUE

Online Real-Time Centralized Health
Information Database Fund
LAC+USC Med Center and LAC+USC
HealthCare Network CHC/HCs

J16-CP-6014-65064-89048 \$1,200,000

Capital Assets-Building and
Improvements

INCREASE APPROPRIATION

Online Real-Time Centralized Health
Information Database Fund
RLA National Rehabilitation Center

J16-CP-94-9276-65064-89049 \$1,800,000

Rev: Commercial Paper Proceeds/ CP

INCREASE REVENUE

Online Real-Time Centralized Health
Information Database Fund
RLA National Rehabilitation Center

J16-CP-6014-65064-89049 \$1,800,000

Capital Assets-Building and
Improvements

INCREASE APPROPRIATION

BA#004 Karen Shikuma 8/7/13

Online Real-Time Centralized Health
Information Database Fund
OV-UCLA Med Center and ValleyCare
Network-SF Valley CHC/HCs

J16-CP-94-9276-65064-89050 \$4,700,000

Rev: Commercial Paper Proceeds/ CP

INCREASE REVENUE

Online Real-Time Centralized Health
Information Database Fund
OV-UCLA Med Center and ValleyCare
Network-SF Valley CHC/HCs

J16-CP-6014-65064-89050 \$4,700,000

Capital Assets-Building and
Improvements

INCREASE APPROPRIATION

Online Real-Time Centralized Health
Information Database Fund
HD MACC and ValleyCare Network-Antelope
Valley HCs

J16-CP-94-9276-65064-89051 \$100,000

Rev: Commercial Paper Proceeds/ CP

INCREASE REVENUE

Online Real-Time Centralized Health
Information Database Fund
HD MACC and ValleyCare Network-
Antelope Valley HCs

J16-CP-6014-65064-89051 \$100,000

Capital Assets-Building and
Improvements

INCREASE APPROPRIATION

TOTAL \$11,000,000

TOTAL \$11,000,000

JUSTIFICATION:

Appropriation adjustment is necessary to fund equipment purchase as part of the building infrastructure upgrades for Online Realtime Centralized Health Information Database implementation capital projects.

BA#004 Karen Juliana 8/7/13